(REC) and Central Power Sector Undertakings (CPSUs) and Orissa DISCOMS in October, 2005 for implementation of Rajiv Gandhi Garmeen Vidyutikaran Yojana (RGGVY) in its 30 districts.

Power Grid Corporation of India Ltd. (PGCIL) will be implementing the rural electrification programme in 12 districts, National Thermal Power Corporation (NTPC) in 12 districts and National Hydro-electrical Power Corporation (NHPC) in 6 districts. As per the RGGVY guidelines, services of CPSUs have been offered to the States for assisting them in the execution of rural electrification Projects as per their willingness and requirements. With a view to augment the implementation capacities for the programme, REC has entered into Memorandum of Understanding (MoUs) with NTPC, POWERGRID, NHPC and Damodar Valley Corporation (DVC) to make available CPSUs' project management expertise and capabilities to states wishing to use their services. This is being operationalised through a suitable Tripartite/ Quadripartite Agreement.

(c) Out of 6 proposals received from Orissa, one has been approved till date covering 6 un-electrified villages and 223 electrified villages having 27316 un- electrified rural households at the cost of Rs. 41.07 crore. 90% of the project cost is capital subsidy to be given by Central Government and 10% will be provided as soft loan by REC at the interest rate of 5%.

(d) The scheme envisages electrification of all villages and provide accessibility to all households in the entire country by the year 2009.

Dabhol Power Project

1598. SHRI BALAVANT *ALIAS* BALAPTE:
PROF. R.B.S. VARMA:

Will the Minister of POWER be pleased to state:

(a) whether under the agreement signed for settlement of the claim of General Electric Co. (GE) of U.S. in respect of the Dabhol Power Corporation, a Committee has been set up to carry out the talks with GE to protect the interests of the Government of Maharashtra;

(b) if so, the terms and composition of the Committee; and

(c) what recommendations, if any, have been made by the Committee?

THE MINISTER OF POWER (SHRI P.M. SAYEED): (a) to (c) The Indian Financial Institutions (IFI) informed Government of India (GoI) that a Committee had been constituted comprising of representatives from the Indian Financial Institutions *i.e.* CMD, IDBI; Managing Director, State Bank of India; Dy. Managing Director, ICICI; Managing Director, SBI Capital Markets Ltd. and Chairman, Maharashtra State Electricity Board (MSEB), to negotiate the statement of non-debt claims of the off-shore stakeholders of the Dabhol Power Project including GE.

The settlement with GE was concluded in July, 2005 under which a settlement amount of US$ 145 million has been paid to GE. The settlement is comprehensive in nature and encompasses all their outstanding claims against all the Indian stakeholders including the Government of Maharashtra. Under the settlement transaction, GE has agreed to:

* Drop all their claims against Government of India, Government of Maharashtra, Maharashtra State Electricity Board, Maharashtra Power Development Corporation and the Indian Financial Institutions.
* Transfer their right, title and interests in DPS's shares to a Special Purpose Vehicle.
* Settle their contractor claims against DPC; and
* Co-operate for the restart and completion of the project.

Need to accelerate reform process in power sector

1599. SHRI EKANATH K. THAKUR: Will the Minister of POWER be pleased to state:

(a) whether Government are aware of the fact that the growth in power sector is not upto the mark;

(b) whether it is a fact that although the Electricity Act, 2003 is in place, the ongoing reform process has been slowed down mainly due to increase in losses incurred by the State Electricity Boards and lack of timely initiatives by the State Governments; and

(c) if so, the steps Government propose to take to accelerate the reform process?